

## CITY OF MOUNTAIN VIEW MEMORANDUM

DATE: April 14, 2004

TO: City Council

FROM: Kevin C. Duggan, City Manager  
Cathy R. Lazarus, Public Works Director  
Michael A. Fuller, Capital Projects Engineer

SUBJECT: PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM  
(2004-05 THROUGH 2008-09)

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### **PURPOSE**

The purpose of this study session is to:

- Review the proposed five-year Capital Improvement Program (CIP) process and funding.
- Review major projects in the five-year plan.
- Review the recommended 2004-05 projects.
- Confirm City Council priorities.
- Obtain comments and respond to questions about the proposed plan.
- Identify additional information needed before the CIP is adopted.

### **INTRODUCTION**

While the dramatic decline in General Fund revenues over the past few years may be beginning to stabilize, the proposed 2004-09 CIP is constrained by the lack of growth in local discretionary (General Fund) revenues. However, the proposed plan fully funds the annual planned infrastructure maintenance projects to preserve the City's investment in facilities and infrastructure. Consistent with City Council priorities, continued

capital investment in infrastructure maintenance is especially important in periods of fiscal retrenchment to offset the effect of reductions in day-to-day maintenance activities.

A number of planned projects in the second to fifth year of the current five-year (2003-08) program that would typically "roll forward" are proposed for deferral because of capital funding constraints and concern about our ability to fund associated ongoing operation and maintenance costs. Deferred and amended projects are reviewed below. Selected new or roll-forward projects proposed in the 2004-09 CIP are reviewed later in this report.

#### Deferred Projects

- Sierra Vista Park Design, Project 06-25 (\$125,000)—Although there is \$99,000 in park land dedication in-lieu fees designated for this project, no funding for construction or ongoing maintenance has been identified. This project is again deferred one year to 2005-06 and discussed further later in this report.
- Landels Park Rest Rooms, Project 06-26 (\$266,000)—This project involves construction of rest rooms to serve Landels Park and Stevens Creek Trail and is being deferred for one year to 2005-06 as it is desirable but not essential.
- Landels School Trail Head Reconstruct Pathway to SCT, Project 06-27 (\$100,000)—This project involves widening and improving the pathway access from the Stevens Creek Trail Head at the Landels School parking lot to the trail. This project is being deferred one year to 2005-06 as it is desirable but not essential.
- Biannual Park Renovations/Improvements, Project 06-31 (\$200,000)—This project involves replacement and upgrading of City park and landscaping improvements. This project is not viewed as essential this year and is deferred for one year.
- Fire Station No. 5 Construction, Project 07-24 (\$4,500,000)—Last year, the City Council deferred the design and construction of Fire Station No. 5 for one year. The design is funded but will not begin until next fiscal year, so the construction project is deferred to the third year of the CIP (2006-07).
- Construct New Bridge Over Permanente Creek, Project 01-35 (\$380,000)—Plans and specifications are complete, but the City Council deferred construction for one year. Staff recommends deferral for one additional year to collect further data concerning the number of powered golf cars and pedestrian golfers with and

without pull carts using the existing bridge. The City Manager received a letter from Mr. Victor Calvo of the Shoreline Golf Links Advisory Greens Committee on November 18, 2003 requesting that the project be reactivated. Mr. Calvo's letter is included as Appendix 2.

### Amendments to Existing Projects

The proposed 2004-05 CIP includes amendments to several existing projects:

- A reduction in the balance of the Interim Senior Center, Project 02-23, is proposed in the amount of \$750,000. The remaining project balance of approximately \$980,000 will fund lease payments for the interim Senior Center building.
- The New Senior Center, Project 04-28, has an approved budget of \$17,475,000 and an appropriation of \$16,475,000. An additional \$1,000,000 of appropriation is programmed in the second year (2004-05) of the current five-year CIP. With the schematic design of the project completed to about the 50 percent level, the project budget has been refined and the current project estimate has been lowered to \$16,975,000. Therefore, the additional appropriation required is \$500,000. Since the interim Senior Center project will return \$750,000, this amount will more than cover the reduced appropriation of \$500,000 needed for the new Senior Center.
- Last year, the City Council established Stevens Creek Trail, Yuba Drive through El Camino Real, Project 04-40, with a budget of \$350,000 as seed money to initiate trail design after the completion of the environmental review process. The current schedule calls for the City Council to complete the environmental review process before the end of the current fiscal year. On January 27, 2004, the City Council considered and postponed committing approximately \$600,000 in park dedication in-lieu fees for specific projects in anticipation of the EIR certification process this fiscal year.

A preliminary estimate of the project cost to extend the trail from Yuba Drive across El Camino Real is approximately \$3.5 million, including right-of-way and easement acquisition costs. Appendix 3 outlines a proposed strategy that provides approximately \$3 million of funding for the project. The strategy includes a combination of funds, including a Transportation Fund for Clean Air grant, Propositions 12 and 40 per-capita funds and a contribution from the North Bayshore Community.

- Several actions will be recommended as part of CIP adoption regarding the Downtown Parking Structure, Projects 01-51 and 03-31, as follows:
  - Combine the Downtown Parking Structure Design, Project 01-51, with the Downtown Parking Structure Construction, Project 03-31, to facilitate project accounting.
  - Appropriate an \$84,000 developer contribution to the project. This will bring current project funding to \$14 million.
  - Appropriate an additional \$500,000 of Revitalization Authority bond proceeds designated for the project to bring funding up to the \$14.5 million budget previously presented to the City Council.
  - With the recent increase in steel prices and the addition of a traffic signal at the intersection of California and Bryant Streets to mitigate project impacts, the current project cost estimate is \$15.5 million. There is an additional \$500,000 of contingency in Revitalization Authority bond proceeds for the parking structure and the proposed CIP includes appropriation of these funds to bring total project funding to \$15 million.

With an anticipated \$50,000 developer contribution toward the traffic signal, the additional funding required is \$450,000. This additional funding could be a loan from the CIP reserve to be repaid from parking in-lieu fees from future developments in the downtown. Because design will not be completed until spring 2005, when more up-to-date cost estimates are available, staff recommends deferring full funding of the project until the project is ready for bidding.

More information is provided in Appendix 4.

- Stevens Creek Trail, Reach 4, Segment 1, Project 99-25—This amendment proposes to reduce the trail project budget by \$80,000 and transfer the same amount to a new project, Stevens Creek Trail, Reach 4, Segment 1, Mitigation Planting, Project 05-38. As a condition of receiving regulatory agency approval for Stevens Creek Trail, Reach 4, Segment 1, the City is required to replant an area along the creek with native trees and shrubs as mitigation for removing creekside vegetation during construction. This mitigation project will coordinate permits with the California Department of Fish and Game and the Santa Clara Valley Water District, collect plants, prepare plans and specifications, provide construction support and long-term monitoring, and install planting and irrigation at one or

more locations along Stevens Creek. Transferring \$80,000 from the remaining balance in Stevens Creek Trail, Reach 4, Segment 1 (\$140,000), in addition to a State Environmental Enhancement and Mitigation (EEM) grant in the amount of \$150,000, is sufficient to cover the anticipated cost of the project. Creating a separate project for mitigation planting will facilitate cost accounting and grant auditing.

## **BACKGROUND AND ANALYSIS**

### **CIP Funding Assumptions**

Funding sources for capital improvement projects range from restricted funds that can finance only specific types of projects (Water, Sewer and Solid Waste Funds, Shoreline Community Fund, recreation in-lieu fees and Gas Tax) and unrestricted funds that can be used on any type of project (Capital Improvement Reserve and Construction/Real Property Conveyance Tax).

The amount of unrestricted funds available for projects in the first year of the proposed five-year CIP is approximately \$8.9 million, down about \$0.15 million (1.7 percent) from \$9.05 million available last year (2003-04) and down about \$1.25 million (12 percent) from \$10.3 million available the year before last (2002-03). The projections of available unrestricted fund revenues for the four outer years (2005-06 through 2008-09) have been reduced based on current economic forecasts. Following are the assumptions used to forecast the amount of unrestricted funds available for projects in the 2004-09 CIP:

#### **Capital Improvement Reserve**

*For Year 1 (2004-05):*

• Ending CIP Reserve balance (June 30, 2004)	\$5,500,000
• Estimated carryover to CIP Reserve	-0-
• Refund from closing completed/nonactive project	<u>200,000</u>
TOTAL	<u>\$5,700,000</u>

*For Years 2, 3, 4 and 5 (2005-09):*

- Assumes no General Fund carryover to the CIP Reserve Fund.
- Assumes \$200,000 available from closed projects per year.

Construction Conveyance Tax

*For Year 1 (2004-05):*

- Assumes Construction Conveyance Tax Fund available for CIP is \$3,200,000.

*For Year 2 (2005-06):*

- Assumes Construction Conveyance Tax Fund available for CIP is \$3,700,000.

*For Year 3 (2006-07):*

- Assumes Construction Conveyance Tax Fund available for CIP is \$2,300,000.

*For Year 4 (2007-08):*

- Assumes Construction Conveyance Tax Fund available for CIP is \$2,000,000.

*For Year 5 (2008-09):*

- Assumes Construction Conveyance Tax Fund available for CIP is \$1,800,000.

Attachment 1 shows the estimated CIP Reserve and Construction Conveyance Tax funding, expenditures and combined ending balances for each year in the 2004-09 CIP. The blue columns represent the beginning unrestricted fund balances in each year, the red columns represent planned project expenditures and the yellow columns represent the ending fund balances for each year. The horizontal blue line indicates the \$5 million CIP Reserve policy level. As shown, the CIP Reserve of \$5 million is maintained in each of the five years, resulting in a balanced program.

The Capital Improvement Reserve and Construction Conveyance Tax revenues forecast for each year must be achieved to fully fund the five-year CIP. Staff will evaluate the revenue assumptions in subsequent years and propose revisions to the plan as needed.

### CIP Program

The proposed five-year 2004-09 CIP is summarized in the Appendix 1 spreadsheet that lists all projects, cost estimates and funding sources. The planned projects include utility, other infrastructure and transportation projects, parks and recreation projects and building projects. The projects in the proposed plan meet the City criteria for selecting capital projects (Attachment 2). These criteria include:

- Health and safety requirements or legal mandates.
- Preservation of existing assets.
- City Council priorities and/or neighborhood interest.
- Economic development/revitalization goals.
- Reduction in operation and maintenance costs.

The 2004-09 CIP groups projects in three categories:

- Amendments (approved projects which require funding and/or scope adjustment).
- Infrastructure Maintenance and Other Projects (projects for recurring maintenance activities or special studies that can be generally accomplished within one year).
- Capital Improvement Projects (all capital projects, including those which are either longer than one year in duration or are not specifically maintenance-related).

Each year of the CIP includes annual infrastructure maintenance projects to fund ongoing infrastructure repair and replacement. The City of Mountain View places a high priority on preventive maintenance to preserve the City's investment in existing infrastructure and on replacing infrastructure that has outlived its useful life. There are ongoing annual projects for the maintenance of streets, sidewalks, water mains, sewer mains, forestry, facilities and landfill postclosure systems. Of the \$64.5 million for projects in the proposed five-year plan, approximately 85 percent (\$55 million) is related to preserving/replacing existing facilities, infrastructure, equipment and technology.

Several new and roll-forward projects are proposed in the first year (2004-05) of the proposed five-year (2004-09) CIP. A number of key projects are described briefly below:

#### Utility System Projects

- Well 23 Construction (Graham Reservoir Site), Project 05-32 (\$1,270,000)—Well 23 is a potable water well planned for the Graham Reservoir site. This project is programmed in the second year (2004-05) of the current 2003-08 CIP and proposed to roll forward. A test hole will be drilled in April 2004 to determine the viability of installing a productive well at the site. If a well at the site proves viable, it will be included in the reservoir plans and specifications and installed by summer 2005.
- Security Upgrades to Utility Systems, Project 05-33 (\$250,000)—This project is a new proposal that provides additional monitoring and security to existing utility facilities in response to the Federally mandated vulnerability assessment of water and wastewater systems. This will include but is not limited to: entry alarms, remote "real time" sampling stations, upgraded SCADA alarms, employee card readers, exterior motion sensor lighting and video cameras, and additional fencing or modification of existing security fencing.

#### Shoreline Community Projects

In addition to annual landfill and pavement maintenance projects, the proposed CIP includes several capital projects in the Shoreline Community over the five years in the plan. Future needs for the Shoreline Community beyond the five-year plan are discussed and listed in a separate section of the CIP. Following are brief descriptions of the Shoreline Community projects proposed next year:

- Recycled Water Distribution System Construction, Project 05-39 (\$8,100,000)—On February 24, 2004, the City Council approved the City's participation in the Mountain View recycled water project and requested staff to return with funding alternatives for the City's \$8.1 million share of the project. More information and funding alternatives are presented in Appendix 5, and the City Council will be asked to appropriate funds as part of the CIP approval process. If the City Council wishes to diversify funding sources for the project, staff is suggesting an allocation of up to \$1 million from Wastewater Fund Reserves.
- Rest Room at Shoreline Golf Links Driving Range, Project 05-37 (\$71,000)—The practice range at Shoreline Golf Links currently has no rest room facilities. This



new project proposal would provide a single unisex rest room facility at the driving range. More information is provided about this project in Appendix 6.

### Downtown Projects

- Improve Alleyway 236 Castro Street, Project 05-41 (\$50,000)—This project is a new proposal and is timed to coincide with the significant developer-initiated upgrading of the building at 236 Castro Street and includes paint, cleaning of the alleyway and the installation of decorative pedestrian lighting. This project will bring the alleyway up to the standards of the other downtown alleyways. Funding is proposed from Revitalization Authority and Parking District Funds.
- Recruitment of Retail Tenant for Parking Structure No. 2, Project 05-24 (\$65,000) and Marketing of Downtown City-Owned Properties, Project 05-25 (\$200,000)—These projects are new proposals to fund expenses related to recruitment of a retail tenant for the new downtown parking structure at California and Bryant Streets and marketing of downtown City-owned properties. More information about these projects is available in Appendix 7.
- Castro Street Tree Replacement, Project 05-43 (\$96,000)—This project is a placeholder to set funds aside to replace the Idaho locust trees and modify the tree guards on the 100 to 900 blocks of Castro Street. The replacement species and schedule for the project are under review by the Parks and Recreation Commission. The Commission is evaluating whether all trees should be replaced or only trees that have died or been damaged. The tree guards would be shortened to reduce damage to the tree trunks resulting from the trees rubbing the guards. A recommendation from the Commission is expected by May and will be incorporated into the next revision to the Capital Improvement Program. The placeholder funding from the Downtown Revitalization Fund is based on replanting all 170 street trees and modifying all tree guards.

### Traffic Projects

- Traffic Signal at Miramonte Avenue/Barbara Avenue, Project 05-30 (\$200,000)—This project provides a traffic signal at an intersection that met the State criteria for traffic signals and is programmed in the second year of the current 2003-08 CIP. The Miramonte Avenue/Barbara Avenue traffic signal is proposed to roll forward to Year 1 (2004-05) of the proposed 2004-09 CIP. The project cost for the traffic signal is estimated at \$200,000. Additional information regarding this project is included in Appendix 8.

- Countdown Pedestrian Signals and Access Ramps, Project 05-34 (\$45,000)—On April 13, 2004, the City Council authorized the City Manager to apply for Transportation Development Act (TDA) Article 3 funds for Fiscal Year 2004-05. The City expects to receive approximately \$45,000 of TDA funds for Fiscal Year 2004-05. In accordance with Council's action on April 13, 2004, this project will install countdown pedestrian signals at intersections along Castro Street downtown and curb access ramps at various locations throughout the City.
- San Antonio Bridge over Central Expressway Repairs, Project 05-22 (\$100,000)—Every two years, the Caltrans Bridge Structure Maintenance and Investigation Division conducts a field inspection of numerous bridges in Mountain View, including the San Antonio Bridge and ramps at Central Expressway. The latest structural inspection report submitted to the City revealed that the bridge joints, curbs and sidewalk need to be replaced and recommended an asphalt overlay be placed on the approach slab. The project cost estimate is \$100,000. Because the bridge is partially located in the City of Palo Alto, about one-third of the bridge repair cost (\$31,000) is the responsibility of Palo Alto. A project-specific cost-sharing agreement will be developed in accordance with the general maintenance agreement between the two cities. Although the bridge is functionally safe, the proposed work will eliminate further deterioration and corrosion of the structural components of the bridge.

#### Parks and Roadway Landscaping Projects

- ADA Playground Improvements (Rengstorff Park), Project 05-35 (\$160,000)—The multi-year ADA Playground Improvements Program to correct playground safety and accessibility issues has been under way since Fiscal Year 1999-2000. The improvements are necessary to bring the City into compliance with Federal and State safety and accessibility regulations. To date, four playgrounds have been completed, two are under construction and two others are in the neighborhood meeting or planning phases. Eleven playgrounds still require safety and accessibility upgrades.

The proposed new project will improve Rengstorff Park's main playground and two tot lot areas. Rengstorff Park is heavily used by the public and is next on the Parks and Recreation Commission's/City Council's list of ADA playground improvement projects. Earlier this year, the Parks and Recreation Commission recommended to the City Council that park land dedication in-lieu interest fees be used to fund ADA playground improvements at Rengstorff, Eagle and Thaddeus

playgrounds. However, pending final Council action on the allocation of park land dedication in-lieu fees, staff has shown funding for this Rengstorff Park project from the Construction Conveyance Tax Fund.

- Rengstorff Pool Replastering and Repairs, Project 05-21 (\$100,000)—This is a new project proposal that involves replastering Rengstorff Pool, which was last replastered in 1991. The average life expectancy for municipal pool plaster is 8 to 12 years. The plaster at Rengstorff is now failing. The pool has been drained twice in the past year to repair leaks. The main pool and the wading pool are included in the project.
- Rengstorff Park Tennis Bleacher Replacement, Project 05-40 (\$110,000)—This is a new proposal to replace the existing bleachers at the Rengstorff Park tennis courts. The existing bleachers are unsafe due to uneven surfaces and splintering boards and do not meet ADA requirements. The proposed work would repair the existing bleachers and shade structure and improve access to meet ADA.
- City-Wide Irrigation System Replacement, Phase I, Project 05-36 (\$72,000)—This is a new project proposal and is the first project in a multi-year program to replace the City's irrigation controllers for parks and roadway landscaping. The City's irrigation controllers were installed in 1990-91, and this replacement program is in response to the cessation of service by the company that provides satellite control services for the controllers. More information about this project is available in Appendix 9.
- Neighborhood Park Development (Sierra Vista Park Design, Project 06-25; Sierra Vista Park Construction, Project US-9; and Devonshire Park Acquisition and Design/Construction, Project US-10)

During Capital Improvement Program development last year, the City Council discussed whether or not to proceed with the design and construction of two neighborhood parks, Sierra Vista and Devonshire. Limited financial resources from the economic downturn made it challenging to identify funding to proceed with park design and construction and even more challenging to assure funds for long-term operation and maintenance.

Although the City Council explored the possibility of phasing construction of the parks or designing a more minimal facility, the adopted CIP deferred construction of Sierra Vista for one year and left Devonshire on the unscheduled project list. The Sierra Vista Park Design project would normally roll forward to the Fiscal

Year 2004-05 list of projects; however, the financial situation that caused its deferral last year has not changed. As a result, the spreadsheet in Appendix 1 shows this project remaining in the second year of the CIP (2005-06).

Appendix 10 describes the current funding for Sierra Vista and Devonshire Parks and outlines some suggested strategies for the City Council's consideration. Staff would appreciate guidance regarding how to address these projects in the proposed plan. Direction from the City Council at the study session will be incorporated into the final CIP document.

### Other Projects

- Library—Two significant projects are proposed for the Library next fiscal year. The first project is proposed to achieve significant operational efficiencies with associated future operating budget savings. The project, Library Automated Book Check-In and First-Floor Modifications, Project 05-31 (\$800,000), involves the installation of an automated book check-in system and modifications to the first floor of the Library to allow patrons to pick up reserve materials without the assistance of Library staff. These modifications will reduce staffing and staff repetitive stress injuries by requiring less handling of books and other Library materials. When the project is complete, it is anticipated that the project improvements will enable the reduction of the equivalent of three full-time Library Assistant positions, saving an estimated \$200,000 annually. The estimated savings in operating costs also translates to a project payback of approximately four years.

The second proposal, Library Customer Service Improvement Study, Project 05-26 (\$50,000), will develop a plan to address known customer service deficiencies in the existing space configuration of the Library. The study will evaluate cost-effective ways to reconfigure and expand the children's wing on the first floor to provide more space for programs and upgrade the first-floor browsing area to expand seating, provide wireless technology and possibly a coffee bar. The study will evaluate the spatial needs of these programs, how space on the first and second floors can be adjusted to accommodate them and the costs of implementing the improvements. Appendix 11 provides a more detailed discussion of these operational efficiencies and customer service enhancements.

- Permanente Creek Pedestrian/Bike Overcrossing Highway 101, Design, Project 05-42 (\$300,000)—Completion and adoption of the Permanente Creek Pedestrian/Bike Overcrossing Highway 101 Feasibility Study is expected by the

end of 2004. The project design, environmental review and permitting process could begin in 2005.

- Terra Bella Site Maintenance, Project 05-23 (\$100,000)—This project will correct major deficiencies arising from deferred maintenance of the building and grounds leased to Foothill Disposal for a Mountain View office and buy-back center. Foothill Disposal pays a monthly rental of \$6,534 (\$78,408 yearly) that is deposited in the General Fund. A project budget of \$100,000 is recommended, funded from Solid Waste Reserves. 935 Terra Bella Avenue is a City-owned facility that has been leased to Foothill Disposal for many years to support its Mountain View operation. Building maintenance has been deferred, pending resolution of solid waste contract matters and also because of intermittent discussions about eliminating these services and selling the property.

With the City Council approval of a 10-year contract extension with Foothill Disposal in 2002 and the continued deterioration of the facility, staff believes it is prudent to make only repairs that extend its use over the current term of the Foothill Disposal agreement. Deficiencies to be corrected with this project include repairing the roof, doors, windows and lighting, painting and parking lot and driveway repairs. In some areas of the parking lot, the subsurface base has failed; however, because of the uncertain future of the facility, staff recommends spot repairs with an overlay rather than a full replacement. A broader discussion of the services provided at the Terra Bella Avenue facility and deferred maintenance needs is found in Appendix 12.

- Moffett/U.S. 101 Gateway Development, Project 05-27 (\$200,000)—In December 2003, the City Council had preliminary discussions regarding the potential to acquire and consolidate two strategic parcels in the Moffett Boulevard/U.S. 101 area into a gateway development project. One parcel is the 6.7-acre vector control property owned by Santa Clara County. The second parcel will be a remnant three-acre Caltrans property created by the Route 85/U.S. 101 interchange construction project. If the parcels can be acquired either through sale or lease, almost 10 acres will be available for a gateway development project. A copy of the December 2003 study session report is Appendix 13. Recent staff-level discussions with County representatives indicated the County is potentially willing to let the City take the lead in crafting a property acquisition/development strategy.

A CIP in the amount of \$200,000 from the Construction and Conveyance Tax Fund is proposed as seed money to initiate the property appraisals, traffic studies and

other activities needed to develop a strategy to acquire and consolidate these parcels. If a strategy acceptable to the County and Caltrans is accomplished, staff will be in a better position to project future implementation costs that may initially include property acquisition, General Plan and zoning amendments in addition to preparing a marketing plan/development concept for the area.

#### New Projects for the Second through Fifth Year

- Permanente Creek Pedestrian/Bike Overcrossing Highway 101 Construction, Project 06-32 (\$2,000,000)—This proposal is a placeholder for the construction phase of the Permanente Creek pedestrian/bike overcrossing of Highway 101. Depending on the level of effort and time required to design and obtain environmental clearances and permits for the project, construction could begin in 2006.
- Library HVAC Energy Savings and Improvements, Project 06-30 (\$290,000)—This is a two-stage project to improve the HVAC system in the Library, which currently underperforms on very hot days. The first stage involves improvements to the existing HVAC system, and the second stage involves increasing the capacity of the system with the addition of an ice storage system. Further information about this project is provided in Appendix 14.
- Rengstorff Park Facility Modernization Study, Project 06-19 (\$60,000)—This project will assess the condition of the Rengstorff Park aquatic and maintenance/rest room facilities and determine the most cost-effective approach to correct facility and equipment deficiencies. Because these facilities are over 40 years old, a comprehensive assessment is prudent before investing in incremental improvements. Two related projects, Rengstorff Park Maintenance/Rest Room Building, Project US-2 (\$300,000) and Rengstorff Aquatic Facility Design and Construction, Project US-3, are included on the unscheduled projects list to implement appropriate recommendations from the study. The scope, budget and timing of these projects will be evaluated after completion of the study. More information about these projects is included in Appendix 15.

#### New Unscheduled Projects

- Evelyn Avenue Median Island Landscaping Between Pioneer Way and Moorpark Way, Project US-1 (\$225,000)—This proposed project will install landscaping and finish the irrigation system in the median islands from Pioneer Way to Moorpark Way constructed with the Evelyn Avenue Improvements, Phase III. The landscaping and irrigation work were deleted from Evelyn Avenue Phase III to reduce

operating costs to maintain landscaping. This project is proposed for the unscheduled list as a placeholder until it is appropriate to reactivate the work.

## **CONCLUSION**

Despite the constraints in discretionary spending, the proposed CIP is balanced over the five years based on current revenue projections. Future economic conditions will determine if strategies to fully fund annual infrastructure maintenance must be reconsidered in the outer years of the plan.

Staff will review the City Council's comments about priorities, phasing and strategies raised at the April 20 study session and revise the proposed CIP, as necessary, prior to formal adoption in May 2004. Final decisions regarding the funding of the first year of the proposed plan will be in June, in conjunction with the adoption of the

2004-05 Operating Budget. Funding for projects in subsequent years will be considered in future budgets.

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- Attachments:
1. Estimated CIP Reserve and Construction Conveyance Tax Funding, Expenditures and Ending Balances for Each Year in the Proposed 2004-09 CIP
  2. City Criteria for Selecting Capital Projects